

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2009-98-E - ORDER NO. 2009-231

APRIL 9, 2009

IN RE: Petition of South Carolina Electric and Gas)	ORDER GRANTING
Company for an Order Authorizing the)	PETITION FOR RELIEF
Deferral of Costs Incurred in Connection)	
with Certain Demand-Side Management and)	
Energy Efficiency Activities)	

This matter comes before the Public Service Commission of South Carolina (“Commission”) on the Petition of South Carolina Electric & Gas Company (“SCE&G” or “the Company”) for an accounting order for regulatory accounting purposes authorizing SCE&G to defer all costs in connection with the Company’s demand-side management and energy efficiency (“DSM/EE”) activities pending the Commission’s decision on the Company’s proposal to expand its demand side management offerings.

The Company states that, in light of current energy prices, general economic conditions and the increased environmental concerns of its customers, SCE&G is currently re-evaluating its portfolio of DSM/EE programs generally and with the specific intention of expanding its energy efficiency and demand response programs. The Company has developed a comprehensive action plan to research, analyze, and introduce (as appropriate) additional DSM/EE programs. When the results of this analysis are complete, SCE&G anticipates rolling out new or revised DSM/EE programs in a manner that balances issues such as rate impacts, customer equity, availability of qualified local

trade allies and supporting infrastructure and other factors. After its analysis is complete, SCE&G intends to present its findings and proposals for expanded DSM/EE offerings to this Commission for review and approval along with mechanisms for capturing and recovering the costs associated with them. SCE&G expects to file its expanded DSM/EE options by June 30, 2009.

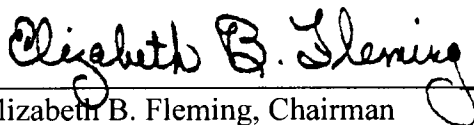
Based upon the foregoing, SCE&G seeks authorization from the Commission to defer as a regulatory asset all costs incurred in connection with the Company's evaluation of its demand-side management and energy efficiency programs and costs associated with the regulatory review of those programs pending the Commission's decision on the Company's proposal to expand its demand side management offerings. The Company would anticipate seeking specific authority to collect and recover DSM/EE program costs at that time, including any DSM/EE program costs deferred as a result of the Company's Petition. The Company asserts that the authorization sought here is temporary in nature and is anticipated to be superseded by the order that this Commission will be asked to issue upon review of SCE&G's DSM/EE filing later in the year. To capture the full costs of its evaluation of these expanded programs, SCE&G further requests that such deferral be effective for costs incurred on or after October 1, 2008. As per agreement with the Office of Regulatory Staff ("ORS"), the amount of this deferral for the period prior to January 1, 2009 is limited to \$39,141, which is SCE&G's investment in an energy data base. Costs related to other proceedings, such as those for the preparation and presentation of testimony in Docket No. 2008-196-E would not be subject to this deferral.

ORS states that it will monitor the deferral amount, if the Petition is granted. As SCE&G states, this request for relief will not involve a change to any of SCE&G's rates or prices, or require any change in any Commission rule, regulation or policy, nor will it prejudice the right of any party to address this issue in a subsequent general rate case proceeding.

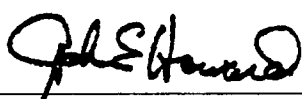
We have examined this matter, and hold that the request for relief should be granted as filed. Clearly, at this stage, it is appropriate for the Company to defer as a regulatory asset all costs incurred in connection with the reevaluation of its DSM/EE programs, effective for costs incurred on or after October 1, 2008. We agree and hold that the amount of this deferral for the period prior to January 1, 2009 should be limited to \$39,141, which is SCE&G's investment in an energy data base. Costs related to other proceedings shall not be subject to the deferral. The Petition is granted.

This Order shall remain in full force and effect until further order of the Commission.

BY ORDER OF THE COMMISSION:


Elizabeth B. Fleming, Chairman

ATTEST:


John E. Howard, Vice Chairman
(SEAL)